

Executive
Directors' Report.



Memorandum

Date: October 19, 1999

To: Bay-Delta Advisory Council

From: Steve Ritchie

Subject: Executive Director's Report

The purpose of this Executive Director's report is keep BDAC and the public up-to-date on progress being made with the CALFED Bay-Delta Program. This report focuses on portions of the Program that are not scheduled for discussion BDAC at the October 28 meeting.

Recent CALFED Program Activities

1. CALFED FY 2000 Operations

At the CALFED Policy Group meeting on October 5th, Steve Macaulay, Deputy Director of DWR, presented preliminary recommendations for water operations actions (see attached) to be utilized by both DWR and the USBR in the year 2000. The purpose of this proposed strategy is to avert another Delta smelt crisis in the early summer, which in 1999 resulted in restricted export pumping in late May and early June. These pumping restrictions threatened the projects' ability to fill San Luis Reservoir, and therefore their ability to meet their contractors' needs later in the year. The range of actions, described by Steve Macaulay, could provide the necessary flexibility for the operators to meet, or avoid, unanticipated pumping restrictions at certain times during next year, while allowing them to guarantee deliveries to their customers. These actions could also avert some of the water quality problems which urban districts like the Santa Clara Valley Water district would face in the event of severe pumping restrictions or severe draw-down in San Luis Reservoir.

The Policy Group concurred with the direction the operators are taking for the year 2000. The CALFED Ops Group will continue to work closely with the No Name Group and with the Water Management Development Team to ensure the proposed actions are

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board
Department of Food and Agriculture

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Geological Survey
Bureau of Land Management
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
U.S. Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration



consistent with the proposal currently under development for a year 2000 Environmental Water Account. A plan should be fully developed by the end of October.

Deputy Director Macaulay, will present the final proposal for 2000 operations to the Policy Group on November 17th for their approval.

2. Water Management Strategy

Comprehensive Planning

Economic Evaluation of Water Management Alternatives (EEWMA)

Additional work is underway to refine the economic studies documented in CALFED's Draft EEWMA Screening Analysis and Scenario Development" report, released in June 1999. This analysis provides information about the mix of supply enhancement and demand reduction measures that would be selected under a least-cost planning approach. The analysis was conducted on a regional basis, under various sets of assumptions grouped in preference sets. Refinement efforts are based upon comments received from a variety of stakeholders (Natural Resources Defense Council, Save San Francisco Bay Association, Central Valley Water Project Association, NCWA, SWC, CUWA, MWDSC, UC Davis, NHI, KCWA, and San Diego County Water Authority). These efforts include: refinement of drinking water treatment assumptions, additional demand for sensitivity analysis, and an incorporation of demand for water for environmental needs into the evaluation. A workshop is scheduled for October 26, 1999 to discuss progress on these efforts.

Riverine Processes Study

A core work team of CALFED staff and outside experts has met regularly to identify a range of flows in the Sacramento River that will restore a functioning riparian ecosystem in the reach of the river between Red Bluff and Chico Landing. Following an initial workshop, tasks were assigned to the core team members. These tasks will provide the technical basis for a white paper describing the results of the investigation. A major task, the stream meander computer modeling, has been completed by Eric Larsen. Other tasks under way include development of flow pattern needs for meander

and riparian habitat establishment and maintenance. A draft of the white paper will be available later this fall.

CALFED is also working with the fisheries agencies on the diversion effects on fisheries of a potential Sacramento River diversion to offstream storage. The goal is to develop a set of guidelines to refine the range of allowable diversion conditions used in development of the June 1999 Public Draft Programmatic EIS/EIR. These new guidelines (likely a range) will be used in the modeling of potential new storage. In their first meeting, the group identified their primary concerns as the need to preserve flow variability, and to not materially reduce the frequency, duration or flooding (and resultant environmental benefit) in the Sacramento River bypass system. During the next meeting, the group will review river flow hydrographs and how the flows could be modified by a diversion to storage.

Drinking Water Quality Operations Workgroup

A workgroup has been formed to explore the ability of water exchanges, conveyance changes, new storage development, and operations to achieve progress towards drinking water quality objectives. This workgroup, including representatives from state and federal agencies, water agencies and academia, has been meeting to consider, refine, and analyze operational concepts for water quality improvement. Under the direction of the workgroup, a series of modeling studies has been completed to help quantify potential improvements in drinking water quality through operation of new storage facilities and Delta conveyance improvements. A report is being prepared to summarize study results. The operational principles identified through this process will be applied during the upcoming comprehensive analysis of alternative water management strategies.

Operational Flexibility Studies

A preliminary study is underway to determine the extent to which Delta conveyance improvements, demand reduction measures, and new storage facilities might allow for increased flexibility in SWP/CVP project operations. Based on review of previous Environmental Water Account gaming exercises, annual patterns of export reductions, most likely to benefit fisheries, were identified. Using a simulation of existing or projected SWP/CVP operations as a base, new facilities or demand

reductions are applied to the simulation and improvements to water supply reliability are noted. Next, export restrictions are applied using the identified annual export reduction patterns. The magnitude of total annual export reduction is adjusted until water supply reliability is reduced to match the selected base case. This exercise will provide information on the level of potential benefits to fisheries various water management tools might provide. This information will be applied during the upcoming comprehensive analysis of alternative water management strategies.

WMS Comprehensive Analysis

All of the efforts described above will contribute information towards a comprehensive analysis of the economic, environmental, and social tradeoffs associated with alternative water management scenarios. Work is underway to develop an analytical framework and complete an analysis to illustrate tradeoffs, leading to finalization of CALFED's Water Management Strategy for Phase II of the Bay-Delta Program. A process to finalize performance objectives and thoroughly document stakeholder values has been initiated. A variety of alternative water management scenarios are being formulated to illustrate tradeoffs associated with strategies that emphasize different water management tools. These scenarios will also consider a range of uncertainty in future demand for water due to variability in population growth projections, and in the cost-effectiveness of alternative water management measures due to future technological advancements. Information gained from hydrologic and economic modeling conducted over the past year will be drawn upon and refined to illustrate potential tradeoffs and compare with stakeholder values. Initial findings from the WMS comprehensive analysis are expected in mid-December 1999.

Hydroelectric Facilities Re-operation Investigation

CALFED has completed the technical work scoped for a preliminary evaluation of the potential benefits of re-operation of hydroelectric facilities. This work includes an analysis of the re-operation of PG&E facilities in the Feather River basin considering three primary objectives: 1) local water supply reliability, 2) system-wide water supply reliability, and 3) changes in timing of flows for environmental enhancement. A workshop is scheduled for October 21, 1999 to brief interested parties on this initial effort and solicit input regarding further refinement. A report to document this effort is currently being drafted and will be released after consideration of comments are received at the scheduled workshop.

Groundwater Investigations

CALFED and DWR have developed a workplan to help identify the proper role of conjunctive use in a comprehensive Water Management Strategy and pursue feasibility evaluations of conjunctive use and groundwater banking opportunities. Under this plan, groundwater opportunities would be evaluated cooperatively with local stakeholders, using a basin-by-basin approach. CALFED's principles for implementation of conjunctive use, including local control of projects and meeting current and future in-basin needs as a first priority, would apply to projects considered in this evaluation. DWR staff have held informal discussions with elected officials and water agency representatives in Glenn, Colusa, Tehama, and Butte Counties as well as the Central and West Basins and Coachella Valley regarding possible cooperative efforts to explore the conjunctive use opportunities in these basins. CALFED's Conjunctive Use Advisory Team, consisting of interested stakeholders and agency experts, will help guide development of this workplan.

Concurrently, CALFED is exploring opportunities to provide technical and financial support for locally sponsored conjunctive use pilot projects. In an October 18, 1999 meeting, the Conjunctive Use Advisory Team will work towards finalizing a grant application for assistance in implementing monitoring for pilot projects. If a source of funding is secured, the application will be available later this fall.

North of Delta Offstream Storage Study

DWR is continuing work on its North of Delta Offstream Storage Study. Work anticipated during state fiscal year 1999-2000 will focus on environmental issues associated with construction of alternative offstream reservoirs, including 1) botanical, general vegetation, and sensitive plant species surveys, 2) wetlands delineations, 3) wildlife special status species inventories, and 4) avian, fish, amphibian, and reptile surveys. Some additional engineering and economic studies are also planned, with special emphasis on refining storage and conveyance configurations to help focus environmental studies. The next meeting of the Technical Advisory Group is scheduled for October 19, 1999. A progress report documenting findings of the investigation to date is being prepared and will be released to the public by February 2000.

On Stream Storage Investigations

Reclamation recently completed an appraisal assessment of the potential for enlarging Shasta Dam and Reservoir. Three enlargement options were evaluated that involved a structural raise of the crest height of Shasta Dam by 6.5, 102.5, and 202.5 feet. Reclamation concluded that the 6.5 foot raise has the least unit cost, minimizes both environmental and socioeconomic impacts, and would be the most viable project for further analysis in a feasibility-level investigation. Three well attended public informational meetings were held during June 1999 with local elected officials, resort owners and operators, and other stakeholders. Reclamation is committed to continuing a dialogue with local stakeholders as future studies unfold. Aerial photography was completed in August, however, anticipated topographic work was not completed due to high water levels in the reservoir. Additional land surveying will be completed early in the year 2000. Reclamation will initiate a program to collect environmental baseline data from habitat surveys in the year 2000. Work continues on detailed scoping and work plans for an anticipated feasibility investigation focusing on the 6.5 foot dam raise.

3. Water Quality

In September, the Water Quality Program was reorganized into the new Drinking Water Quality Program. The Program was reorganized to elevate drinking water issues and to implement the CALFED Drinking Water Quality Improvement Strategy as defined in the June 1999 Revised Phase II Report. Actions associated with environmental water quality were transferred to the CALFED Ecosystem Restoration Program. The following are summaries of significant efforts:

Delta Drinking Water Council

Work has continued towards developing the Delta Drinking Water Council, a subcommittee of BDAC, as part of the interim governing structure. The mission of the Council is to advise the CALFED Program and the CALFED Policy Group through BDAC on necessary adaptations to the CALFED Drinking Water Quality Improvement Strategy to

achieve CALFED's drinking water objectives. An invitation letter to prospective Council members will be mailed out this week. An initial meeting is scheduled for November 3, 1999.

South Delta Early Implementation

Two early implementation actions will be maintained in the Drinking Water Quality Program (the others were transferred to the Ecosystem Restoration Program):

- Improved source water quality for Rock Slough intake
- Assessment of sources and magnitudes of loadings of constituents of concern for drinking water

The Drinking Water Constituents and Drinking Water Quality Operations Work Groups were formed to address each of these action areas. These workgroups have been meeting to identify feasible projects or studies as well as helping to develop an implementation plan to begin the process of implementation.

4. Water Transfers

Recent work efforts:

- The Transfer Agency Group has been meeting routinely to develop standard reservoir refill criteria and protocols for tracking water transferred to instream purposes.
- USBR and CALFED staff continue to meet to develop the start of an on-line water transfer application process. Work has included meeting with a web-site developer as well as interviewing several USBR staff currently responsible for reviewing specific water transfer proposals.

5. Watershed Management

CALFED staff, the Watershed Work Group and the Interagency Watershed Advisory Team expect to complete, by the end of November, identification of priority activities and development of a decision-making process for expending funds and providing technical assistance to local watershed groups.

6. Levee System Integrity

The Emergency Response Sub-team of the Levees and Channels Technical Team has produced a Final Draft of the Delta Levee Emergency Management and Response Plan. This Plan outlines a general strategy and associated needs to improve Federal, State and local Delta levee emergency response capabilities.

Suisun Marsh Investigation

CALFED has included Suisun Marsh in the Levee Program as an optional strategy to meet its primary objectives. An investigation was launched to determine how this optional strategy could be implemented. Preliminary results indicate significant water quality, water supply reliability, and ecosystem restoration benefits can be achieved by breaching levees and reconfiguring the marsh. DWR has performed preliminary modeling to assess potential water quality benefits or impacts resulting from differing levee configurations, some of which would support ecosystem restoration goals. Higher dimensional modeling is currently underway to corroborate the results of the DWR modeling and will be completed in early November 1999. The Suisun Marsh Levee Investigation Team is analyzing the modeling results and other pertinent information and anticipates producing an investigation summary by February 2000. The Suisun Resource Conservation District and some local landowners are Team members. Further stakeholder involvement will begin later this year with a local outreach meeting.

North Delta Regional Plan

CALFED will begin implementation of the North Delta Regional Plan in Stage 1a. Environmental review is scheduled to begin later this year. The goal of the Plan is to provide a coordinated regional solution to Ecosystem, Watershed, Water Quality, Water Supply Reliability, and Flood Control Concerns in the Lower Sacramento River and North Delta Region. An important part of this Plan is to coordinate the actions of over ten projects currently underway in the Region. The Mokelumne-Cosumnes Watershed Alliance, formed and supported by CALFED and members of the projects, is accomplishing this coordination. CALFED Category III funds are being used in some of these projects.

7. Comprehensive Monitoring Assessment and Research

The CMARP program is progressing on several different fronts. Provided below is an update on programs that have not been described in previous Executive Director reports.

Management Level Indicator Development — In coordination with the ERP and Water Quality program, a proposal to develop "management level indicators" for these programs is being prepared through CMARP. Indicators for the other CALFED programs will also be developed as experience is gained through this effort.

Geographic Information Systems — CMARP staff are working with other CALFED program staff to identify GIS needs and to recommend a system to meet those needs.

Data Management — A CMARP proposal for managing Category III project related data was approved by CALFED management on August 30. The data management system called "Bay-Delta Tributary Relational Database" is now being established for CALFED and is in use by other programs and stakeholder groups.

8. Ecosystem Restoration

At the October 5, 1999, Policy Group meeting, CALFED staff were directed to investigate opportunities to continue coordination with CVPIA and other ecosystem programs and more fully integrate with them. At the last Ecosystem Roundtable meeting, members provided several suggestions. There was strong support to move beyond the current technical coordination to a more functional integration of the programs where existing overlap occurs. The Roundtable recommended that CALFED, with CVPIA staff, develop a straw proposal outlining different alternatives for how integration would occur. The proposal should provide a time frame and address coordination with other CALFED activities such as the future governance of the CALFED program. It was suggested that staff first look back to previous discussions and papers on this topic.

9. Implementation Plan for Stage 1 Actions: Lower San Joaquin River and South Delta Region

The CALFED Program is continuing to develop an implementation plan for the lower San Joaquin River and South Delta region. The plan focuses on the early years of implementation when needed actions are better known, but also reflects a long-term vision for continuing implementation over the next several decades. The plan for this region addresses long-standing concerns with respect to water quality, fisheries, wildlife habitat and water supply availability. The proposed actions have been compiled based on extensive input from CALFED agencies and stakeholders and have been circulated for broad public review since December 1998. The CALFED agencies support initiating this project-specific planning process well ahead of completion of Phase II of the program to expedite implementation after the Programmatic Record of Decision is signed and the EIR is certified. A public workshop was held on September 22nd to continue coordination with Stakeholders. Another workshop is scheduled for early December.

10. Finance

Near-term Finance. CALFED is working with state and federal agencies to coordinate the FY 2001 funding requested for CALFED Implementation. The enclosed FY 2000 cross cut budget will help guide these funding decisions.

Long-term Finance. CALFED staff and consultants are developing a straw proposal for long-term finance. Portions of the CALFED program will be included in the initial proposal expected to be available for review in November. CALFED will work with a small group of stakeholders and agency staff for initial review and comment before finance proposal is distributed to Policy Group and BDAC.